

Communications affordability – a personal overview

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Outline of talk

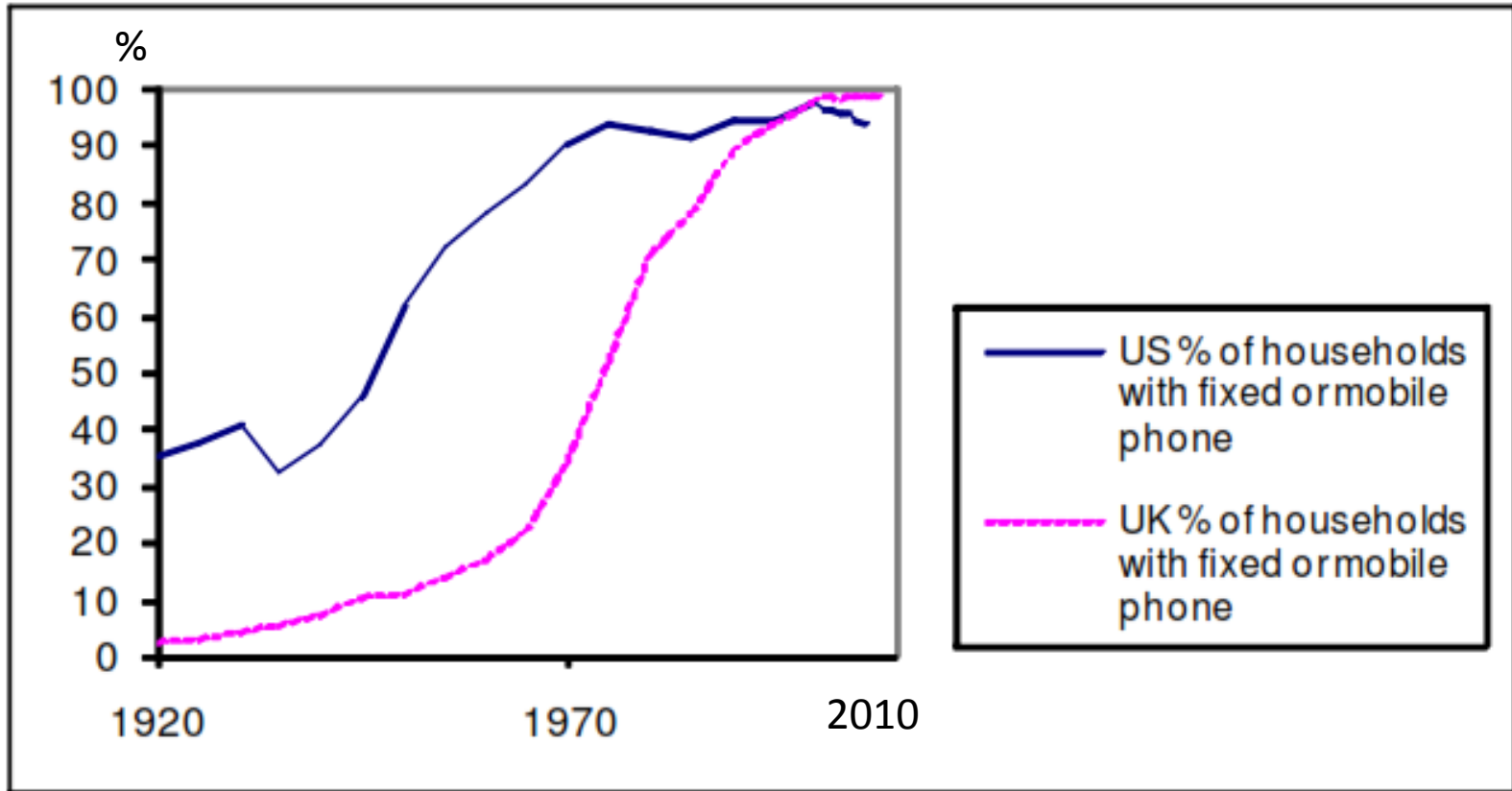
- How we got here - journeys to affordability
- Where in fact are we? Recent trends in various countries
- Where are we going – or might we go - next?

My personal journey here (1)



- Birth announcement in 1951 from London to New York – by telegram!
- Asks recipient to make a phone call to pass on the news

For much of the 20th century, the USA was 30 years ahead of the UK in phone take-up



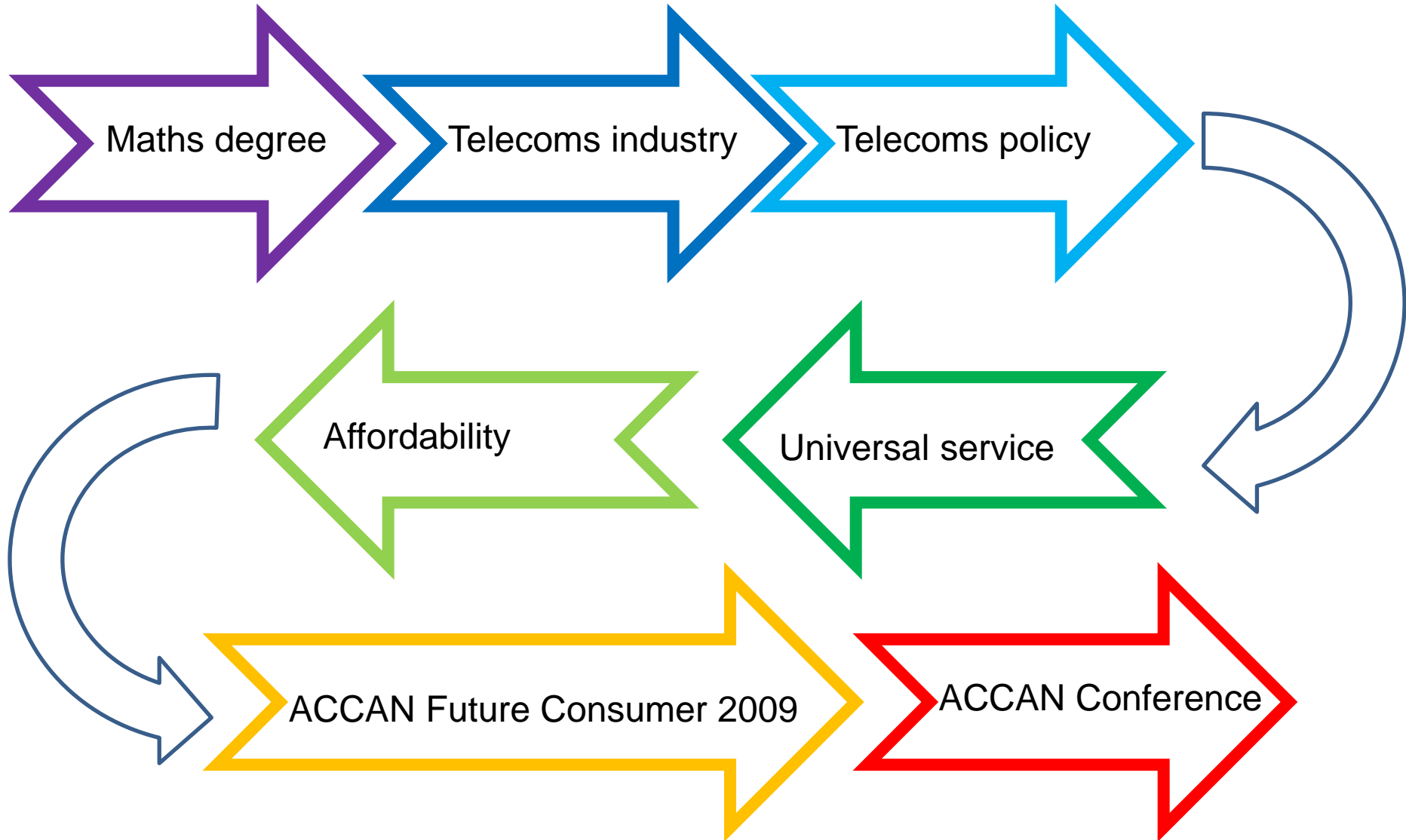
My personal journey here (2)



My personal journey here (3)

- Ellen Florence Ada Maud Jackson, 1907-1996†
- First telephone around 1981, when Mr Jackson went into hospital.
- She didn't want a phone because she thought it wasn't for people like her – and too expensive.
- But when she had it, it made a huge (positive) difference for the rest of her life.

And professionally..



Other people's journeys here

- **Personal**: through experience of their own and others' communications affordability problems – and the value of overcoming the problems
- **Professional**:
 - **Economic** regulators and policy-makers who recognise the value to society of dismantling barriers to universal communications
 - Communications service providers who want to expand their **markets**
 - **Technologists** innovating to reduce costs
 - **Social** and **caring** professions wanting to help clients

How we got here - summary

- Many different personal and professional routes.
- People speak about affordability in many different ways:
 - Ample scope for misunderstanding, but
 - Also ample scope for working together towards common goals.

Communications affordability trends

- Growing pervasiveness of electronic communications – and perceptions of their being essential for social inclusion – makes it ever **more** important for **more** people to be able to afford **more** of them.
- Economic pressures make it harder for many groups to afford them.
- Technological and market advances may improve services without lowering end user prices. But they also offer opportunities for improving affordability, through **lower prices, favoured price structures** and **user control**.

It's not just plain old telephone service...

- More communications services/facilities are becoming more important and arguably need to be affordable:
 - Broadband internet
 - Mobile
 - Privacy (e.g. freedom from unsolicited telemarketing)
 - Broadcast media

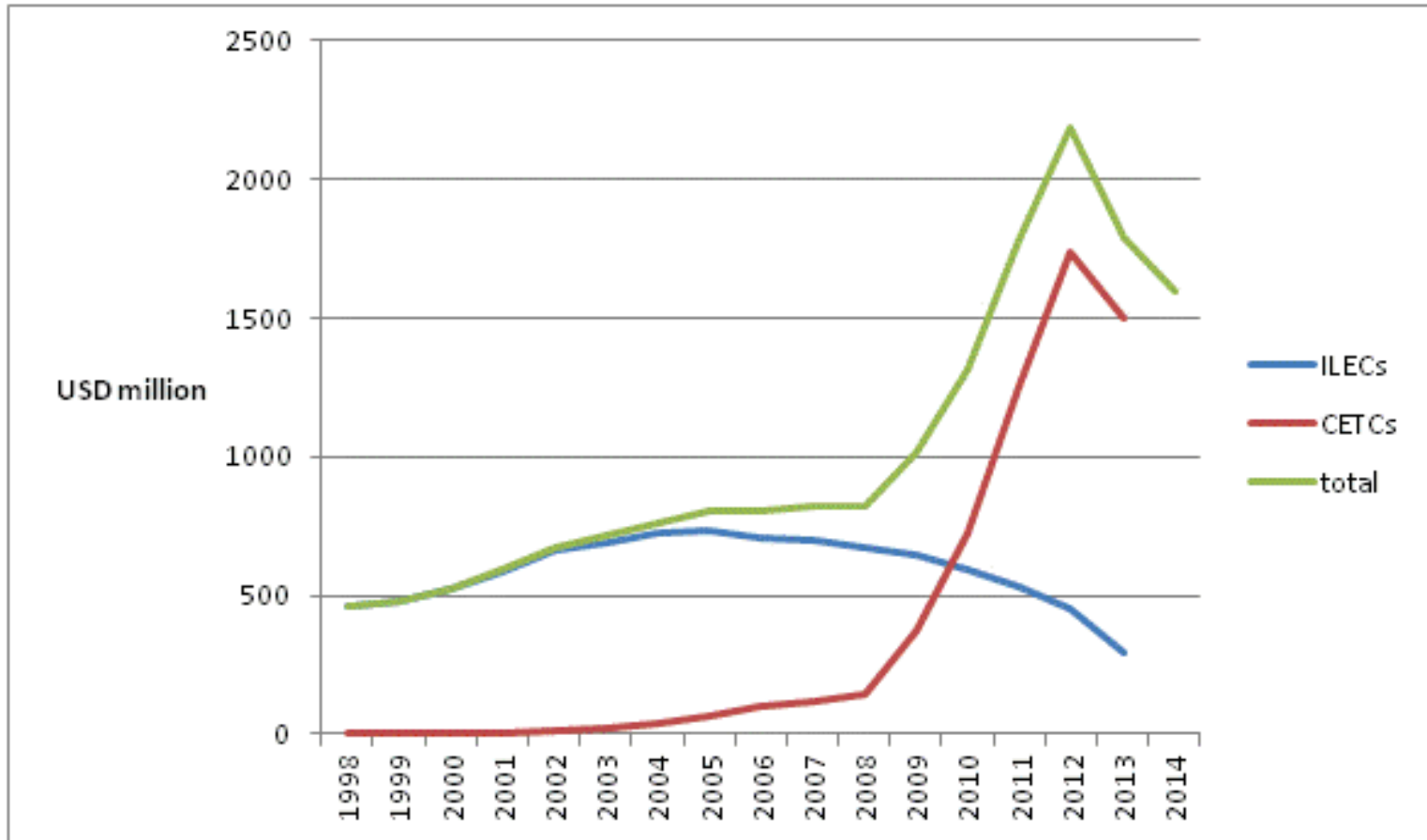
Update from various places

- United States of America
- Canada
- The Bahamas
- United Kingdom
- European Union
- World (ITU)

USA update (1)

- Affordability built in to public policy since 1934 Communications Act: “Quality services should be available at just, reasonable, and affordable rates”.
- “Low income” is only one of several universal service programs; addressed at both [Federal](#) and [State](#) levels.
- Recent reform efforts have focused on checking all take-up is within the rules (one subsidised subscription per household).
- Increasing use of mobile phones for basic service.

USA: federal low income universal service funding



Source: FCC Monitoring Report and USAC Annual Report

USA update (2)

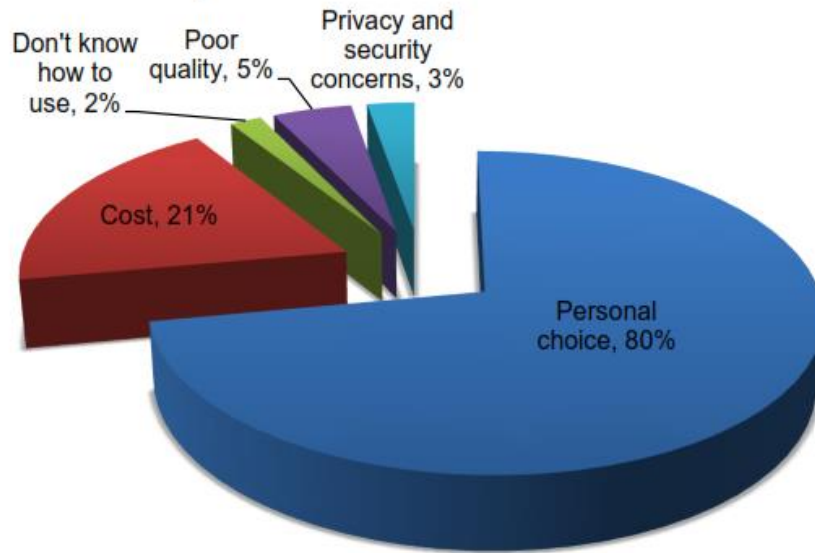
- Now FCC focus is on bringing **broadband service** within the scope of low income provisions. [Consultation](#) published 18 June 2015, closing 15 September 2015.
- **Lifeline Broadband Pilot Program** over past year tested different models of attracting low income consumers. [Staff report](#) shows people opting for lower price offers – but often for none at all.

Canada update

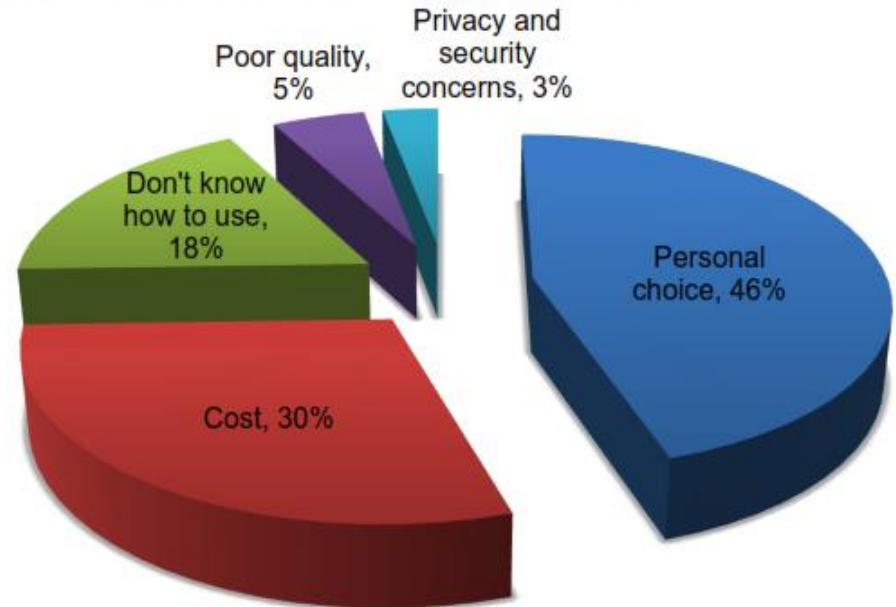
- CRTC is consulting on its [Review of Basic Telecommunications Services](#) – including both what people now need, and how to make services affordable.
- The Affordable Access Coalition has submitted a substantial [intervention](#), including much supporting evidence, arguing the importance – and practicability - of affordable broadband for all. Costs estimated around 1% of telecom services revenues.
- The [Public Interest Advocacy Centre](#) is planning more work in this area.

Comms affordability in Canada

Why Canadians do not have Cell Phone



Why Canadians do not have Home Internet



Source: [EnviroNics Survey](#) for Affordable Access Coalition

The Bahamas

- Cable Bahamas Ltd (CBL) is meant to provide a basic, affordable cable TV package to all Bahamians.
- In 2011, CBL applied (to the regulator, URCA) to raise the price of its lowest price package from \$30 to \$38 a month, and was refused on grounds of affordability.
- In late 2014, CBL [offered](#) a new “Prime Local” entry-level service at \$10 a month, to get the \$38 approved. URCA’s final decision awaited.
- Interesting precedent for elsewhere.

CBL's TV packages in July 2015



- Home
- Your Home
- Your Business
- Bundle & Save
- Phone Directory
- Promotions
- Support
- Search

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REVTV PACKAGES

REVTV starts with Prime and it only gets better! Keep up with the latest shows and your favourite sports teams, enjoy tons of family and variety channels, and even access our Video On Demand titles. All you need is a set-top box, and you can choose the package that best suits you and your family.

PRIME	PRIME SELECT	PRIME PLUS	PRIME EXTRA	PRIME ULTIMATE
\$30 per month	\$35.95 per month	\$9 additional per month	\$10 additional per month	\$97.50 per month
Starter Package	(Includes all Prime channels)	Add it for only \$9! (Includes all Prime Select channels)	Add it for only \$10! (Includes all Prime Select channels)	Bundle it for \$97.50! (Includes all Prime Select, Prime Plus, Prime Extra, HBO, MAX and Prime Sports channels)
75 channels	156 channels	Get 21 MORE channels!	Get 31 MORE channels!	208 Network channels 12 Movie channels 11 Sports channels
35 channels available in HD*	46 channels available in HD*	55 channels available in HD*	63 channels available in HD*	80 channels available in HD*
24 radio channels	24 radio channels	24 radio channels	24 radio channels	24 radio channels
-	50 Stingray Music commercial-free music channels (Ch 900-949)	50 Stingray Music commercial-free music channels (Ch 900-949)	50 Stingray Music commercial-free music channels (Ch 900-949)	50 Stingray Music commercial-free music channels (Ch 900-949)
See included channels	See included channels	See included channels	See included channels	See included channels

PRIME MOVIES

Enjoy new movies and documentaries, even sports and concerts — customise your TV experience and create a plan that meets your demands and only pay for what you love!

United Kingdom

- Ofcom 2013-4 [study](#) of essential services concluded that:
 - Mobile and broadband are now more important to social inclusion than directories or payphones; but the latter are part of universal service regulation while the former aren't.
 - The main affordability problem is broadband for families with school age children.

Socially perceived necessities 2012

	Adult /child	Overall	High	Low	Range
Telephone at home (fixed or mobile)	Adult	77%	89%	70%	19%
Computer and internet for homework	Child	66%	74%	63%	11%
Television	Adult	51%	71%	33%	38%
Internet connection at home	Adult	41%	48%	23%	25%
Mobile phone	Adult	40%	64%	33%	31%
Computer at home	Adult	40%	57%	24%	23%
Mobile phone	Child (11+)	27%	33%	19%	14%
MP3 player	Child	8%	14%	5%	9%

Percentages of people in various social groups declaring items essential

Source: [PSE Heatmap](#)

European Union

- **Review of universal service** framework will reconsider whether broadband should be included in the scope of universal service, and advance studies are looking at its affordability.
- Affordability of utilities (energy, communications, water, transport) is topic of a current study – due to report 17 September.
- Overall – growing unease, but no clear intentions to act.

ICTs are vital for sustainable development

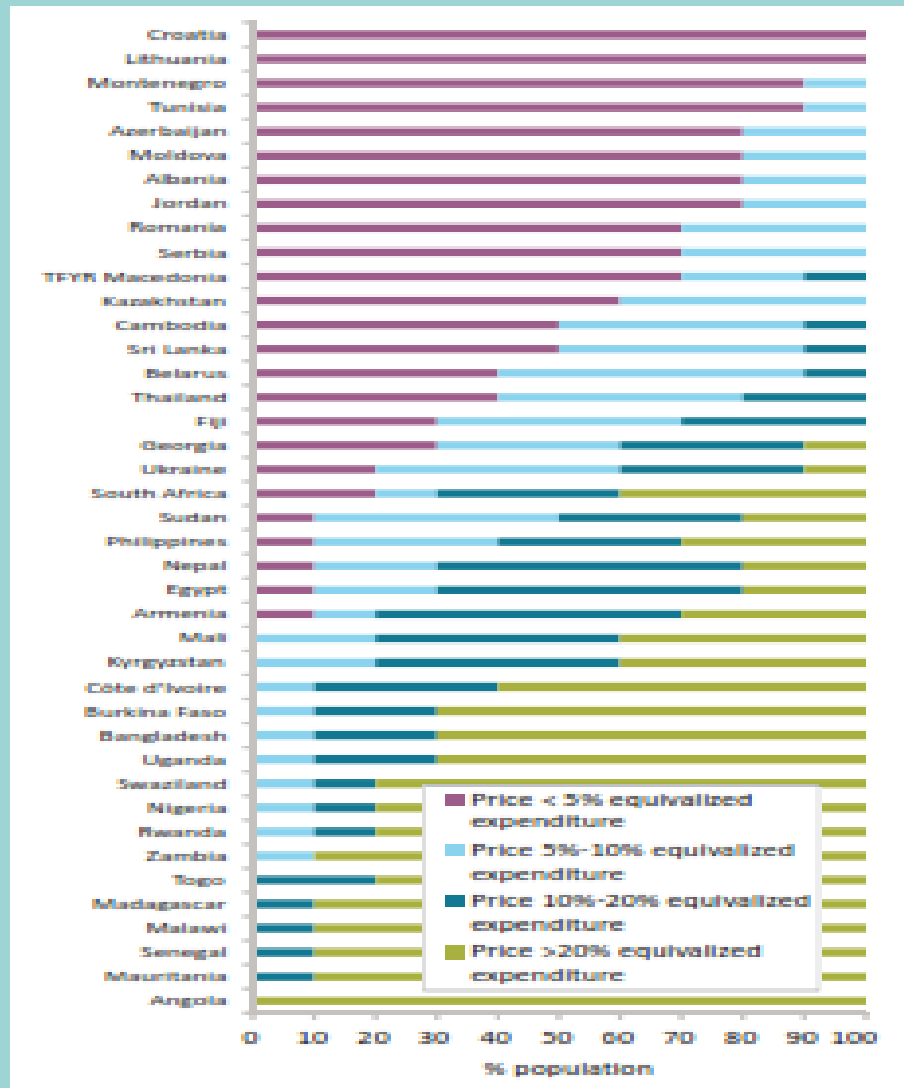
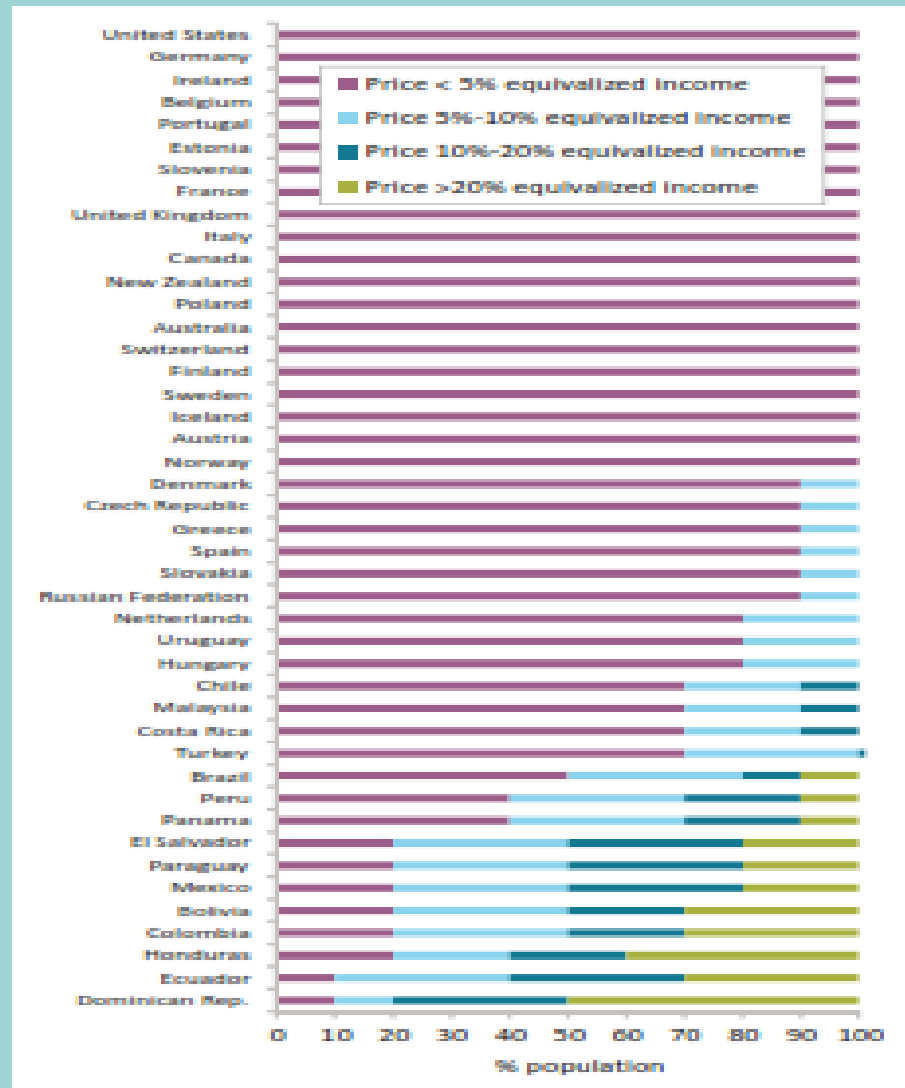
SUSTAINABLE DEVELOPMENT GOALS \ WSIS ACTION LINES LINKAGES

	IC1	IC2	IC3	IC4	IC5	IC6	e-gov	e-bus	e-lev	e-lev	e-emp	e-emp	e-agr	e-edi	IC8	IC9	IC10	IC11
SDG 1	■	■	■	■	■			■		■			■	■			■	
SDG 2			■	■		■		■		■			■		■		■	
SDG 3	■		■	■						■			■				■	
SDG 4			■	■	■	■			■		■		■	■	■		■	
SDG 5	■		■	■	■	■		■		■			■			■	■	
SDG 6			■	■										■	■			
SDG 7			■		■									■				
SDG 8		■	■		■	■		■			■		■		■		■	■
SDG 9		■	■		■	■	■	■				■	■			■	■	■
SDG 10	■		■		■	■					■		■				■	■
SDG 11		■	■		■	■						■			■		■	■
SDG 12			■	■							■		■		■	■	■	■
SDG 13			■	■								■	■				■	■
SDG 14			■	■								■		■				■
SDG 15			■									■		■				■
SDG 16	■		■	■	■	■	■	■					■	■			■	■
SDG 17	■		■	■	■	■	■	■		■	■		■	■			■	■

Source: http://www.itu.int/net4/wsis/sdg/Content/wsis-sdg_draftbooklet.pdf

So they must become affordable, and not just to the rich

Chart 4.20: Prepaid handset-based mobile-broadband prices (500 MB/month) as a percentage of equivalized household income (left), and equivalized household consumption expenditure (right), by deciles, 2013



Source: ITU Measuring the Information Society 2014

Some future research directions

- Look harder at how payment methods, packaging and presentation can help affordability
- Link quantitative and qualitative ways of assessing affordability, taking note of special needs
- Connotations of affordability in other languages
- Improve understanding of interaction among affordability and other barriers to take-up and use
- Integrate ideas about overcoming barriers with Capability Approach

By any other name....?

ДОСТУПНОСТЬ

경제성

abordabilité

承受能力

accessibilità

القدرة على تحمل التكاليف

asequibilidad

Erschwinglichkeit

khả năng chi trả

προσιτότητα

Past and future intersecting

